

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1938-01
Bill No.: SCR 11 with SA's 1 & 2
Subject: General Assembly: Health Care
Type: Original
Date: May 5, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General	(\$226,158)	(\$245,125)	(\$252,563)
Total Estimated Net Effect on General Revenue Fund*	(\$226,158)	(\$245,125)	(\$252,563)

*Subject to Appropriation; language in the proposal indicates "shall"

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **University of Missouri (UM)** stated, in response to similar proposals, that the UM does not own any hospitals in Kansas City. They said should the UMKC choose to participate in the study, there would be a unknown cost to the School of Medicine.

Officials from the **Department of Insurance (INS)** state the INS may experience additional expenses in the areas of research, statistical analysis, etc. However, since the Department of Health and Senior Services would be responsible for monitoring the success and reporting the program status, the INS assumes they will submit costs for the pilot project. Fiscal impact to the INS is anticipated to be minimal and will be absorbed by existing staff.

Officials from the **Department of Health and Senior Services (DOH)** stated the DOH in conjunction with the University of Missouri-Kansas City – Hospitals and Clinics (UMKC-H&C) would enlist physician/surgeon participation across a range of specialties to identify and select a test group of surgical procedures based on: (1) Leading elective surgeries at UMKC – H&C across a range of risk levels, and (2) Availability of educational material based on accepted medical literature, including preparation and care guidelines and complications frequencies. They assume DOH and UMKC would research, develop and produce educational materials for the

selected procedures included in the pilot program that. DOH officials assume DOH would collect ASSUMPTION (continued)

and compile data and maintain databases related to surgical procedures.

They would request a Research Analyst for the duration of the pilot program. This Analyst would be assigned duties related to the collection, compilation and management of the databases for all the categories of information that are required by this proposal. The analyst would assist UMKC – H&C in its efforts to enlist physician/surgeon participation across a range of specialties and identify and select a test group of surgical procedures. The Analyst would also prepare any interim reports and the final report on the program.

They would request a Senior Office Support-Keyboarding staff to provide clerical support for the duration of the pilot program.

DOH officials assume they would contract with the University of Missouri-Kansas City hospitals and clinics (UMKC – H&C) to pay for 0.15 FTE Physician, for the duration of the pilot program to subscribe participating physicians to the program and provide expert clinical advice in the development and use of educational materials and an Advanced Practice Nurse for the duration of the pilot program to develop and administer educational materials for the program and to administer data collection instruments. (This proposal would, however, allow the DOH to contract with any teaching hospital under jurisdiction of any public university in the state. DOH officials estimate costs would be comparable with another hospital.)

They would contract with a 0.25 FTE Graphic Design Specialist to design, as needed, the paper or web-based surgical procedure educational materials and with a Research Analyst and Keyboard Specialist at UMKC.

Costs would be \$255,399 in FY 04, \$267,642 in FY 05, and \$275,676 in FY 06.

Oversight has, for fiscal note purposes only, changed the starting salary for the DOH positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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GENERAL REVENUE

Costs - Department of Health and Senior Services

Personal Services (2 FTE)	(\$43,911)	(\$54,011)	(\$55,361)
Fringe Benefits	(\$17,771)	(\$21,858)	(\$22,405)
Expense and Equipment	<u>(\$164,476)</u>	<u>(\$169,256)</u>	<u>(\$174,797)</u>

ESTIMATED NET EFFECT ON

GENERAL REVENUE*	<u>(\$226,158)</u>	<u>(\$245,125)</u>	<u>(\$252,563)</u>
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*Subject to Appropriation; language in proposal indicates "shall"

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would require the Department of Health and Senior Services, in conjunction with the Department of Insurance and the any teaching hospital under the control of public universities in the state to evaluate the establishment of the Comprehensive Patient Education and Healthcare Cost Improvement Pilot Program. The purpose of the program would be to improve the availability of patient information regarding risks and complications associated with elective surgical procedures.

The Pilot Program would begin no later than six (6) months after funding becomes available and would have a three (3) year duration.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

GVB:LR:OD (12/02)

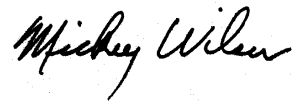
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SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Insurance
University of Missouri

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

MICKEY WILSON, CPA
DIRECTOR
MAY 5, 2003